

Continuing the scenario from a previous topic activity, assume that Emily and Victor Howard are eligible to take the additional child tax credit, according to their Child Tax Credit Worksheet. In this example, assume their adjusted gross income is \$31,467 (\$18,467 of which is taxable earned income and \$13,000 is unemployment compensation); their tax from line 28 of Form 1040A is \$368. Their taxable income is \$3,667; their Social Security and Medicare taxes are \$1,413 and their Earned Income Credit is \$569.

Scroll down to complete their Form 8812 given the information above.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

Part I All Filers

1 Enter the amount from line 3 of your Child Tax Credit Worksheet on page 41 of the Form 1040 instructions or page 38 of the Form 1040A instructions. If you used Pub. 972, enter the amount from line 10 of the worksheet on page 4 of the publication	1			
2 Enter the amount from Form 1040, line 49, or Form 1040A, line 33		2		
3 Subtract line 2 from line 1. If zero, stop ; you cannot take this credit	3			
4 Enter your total taxable earned income. See the instructions on back . . .		4		
5 Is the amount on line 4 more than \$10,500?		5		
<input type="checkbox"/> No. Leave line 5 blank and enter -0- on line 6. <input type="checkbox"/> Yes. Subtract \$10,500 from the amount on line 4. Enter the result . . .				
6 Multiply the amount on line 5 by 10% (.10) and enter the result	6			
Next. Do you have three or more qualifying children? <input type="checkbox"/> No. If line 6 is zero, stop ; you cannot take this credit. Otherwise, skip Part II and enter the smaller of line 3 or line 6 on line 13. <input type="checkbox"/> Yes. If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.				